

THE IMPACT OF UNEMPLOYMENT AND POVERTY ON ECONOMIC GROWTH IN THE CITY OF PALEMBANG

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ABSTRACT

In theory, economic growth has an influence on the level of poverty and unemployment. The data is used in the 2019-2021 time series. Poverty is indeed a very complex problem, because it also affects one factor, namely unemployment. When the unemployment rate increases, the poverty rate will automatically increase. The higher the poverty rate, the lower the education level. This is because poverty often leads to under-investment in education. Individuals living in poverty may not be able to access quality and adequate education. The city of Palembang is ranked first as the most populous in South Sumatra with a recorded population of 1,686,073 people, based on data from the Palembang Central Statistics Agency (BPS) for 2021. With this large number, it has a large impact on unemployment and poverty rates. South Sumatra itself is one of the provinces included in the top 10 poverty rates in Indonesia.

Keywords: Unemployment, Poverty, Economic Growth

INTRODUCTION

Development is a process of improvement by making various efforts towards better changes. The change in question is a change that covers the entire system in a region or country such as the political system, economy, infrastructure, education, and technology. The economic development of a region generally aims to achieve social welfare through high economic progress. Developing economic performance in order to create jobs and be able to improve a decent life for all people, which in essence will realize the welfare of the Indonesian people. Another goal of economic development is to reduce the level of poverty and unemployment that is often experienced by

developing countries, one example of which is Indonesia. (M. Nasir, et al 2008).

Equal importance should be placed on efforts to reduce unemployment and poverty. In principle, if individuals are not unemployed, it means they have jobs and income. Through the wages they get from their work, they are expected to be able to meet their basic needs. When an individual's essential needs are met, they will not experience deprivation, which can be classified as low levels of unemployment and poverty. The city of Palembang, South Sumatra, is one of the main economic and trade centers in Indonesia. However, like many other cities, Palembang also faces significant challenges in overcoming poverty and unemployment. Poverty and unemployment are interrelated problems and can have a negative impact on economic growth in a region.

Sustainable and stable economic growth is essential to improve the welfare of the population and achieve sustainable development. However, when the poverty rate and unemployment rate are high and not handled effectively, of course this can become a serious obstacle to economic growth. Poverty in Palembang City affects most of the population, especially in densely populated urban areas. Many families are unable to meet their basic needs, such as food, housing, education and health services. The inability to meet these basic needs can lead to perpetuations of a prolonged cycle of poverty.

In addition, the high unemployment rate is also a serious problem in the city of Palembang. Many high school and college graduates are unable to find jobs that match their qualifications. High unemployment results in wasted and unproductive human resource potential, which can hinder economic growth. Therefore, it is important to understand the effect of poverty and unemployment on economic growth in the city of Palembang. Appropriate strategic steps and public policies must be taken to overcome this problem. By identifying influencing factors and formulating appropriate policies, it is hoped that the welfare of the people of Palembang city can increase, as well as achieving inclusive and sustainable economic growth.

RESEARCH METHOD

This study uses data from 2019-2021, data obtained from several individuals who combine the timeframes that have been sorted. The data used has been sorted according to regular time sequence. starting from 2019 to 2023. The data analysis used starts from journals, articles, BPS (Central Statistics Agency) and other complementary data taken from analyzes collected by several researchers in the city of Palembang, South Sumatra.

RESULTS AND DISCUSSION

1. Poverty

Poverty is one of the problem factors that often arise in people's lives. The problem factor of poverty is always related to all aspects of human life, even though its presence is always not realized by the person concerned (Suparlan, 1995). Poverty is also a problem that is a hindering factor of economic growth. Poverty is illustrated as a lack of income to meet life's needs starting from basic needs or minimum necessities of life such as clothing, food, shelter, education and health.

Insufficiency is usually defined as insufficient income to meet basic requirements. In Indonesia, several poverty assessment groups use standards set by the Central Bureau of Statistics (BPS). BPS determines poverty criteria using the fundamental requirements method. (1) Headcount Index, (2) Poverty Gap Index, (3) Poverty Severity Index. Poverty is an important concern at this time and requires attention from our country. The complexity of poverty is diverse, including social, economic, cultural, and other factors. Thus, poverty cannot be considered solely as a financial incapacity but rather an inability to fulfill fundamental rights such as sustenance, work, welfare, housing, education, clean water, a sense of security, and the right to take part in social and political activities. (Solikaturun et al, 2015).

The city of Palembang is ranked first as the most populous in South Sumatra with a recorded population of 1,686,073 people, based on data from the Palembang Central Statistics Agency (BPS) for 2021. This large number has a major impact on unemployment and poverty rates. South Sumatra itself is one of the provinces included in the top 10 poverty rates in Indonesia.

Poverty occurs due to an imbalance in income distribution, differences in the quality of human resources caused by differences in income levels, and

differences in the fulfillment of capital, so that poverty can be illustrated in the poverty cycle theory (Imelia, 2012).

Tabel 1. Jumlah dan Persentase Penduduk Miskin di Kota Palembang, Tahun 2011-2021

Tahun	Jumlah (000 jiwa)	%
(1)	(2)	(3)
2011	210,01	14,13
2012	206,49	13,59
2013	205,99	13,36
2014	202,31	12,93
2015	203,12	12,85
2016	191,95	12,04
2017	184,41	11,40
2018	179,32	10,95
2019	180,67	10,90
2020	182,61	10,89
2021	194,12	11,34

Sumber: Survei Sosial Ekonomi Nasional (SUSENAS)

If we look at the statistical data above, the poor population in the city of Palembang experienced a decline in the previous year, however, in 2021 there has been a significant increase, this is allegedly due to the impact of the co-19 pandemic. Where Large-Scale Social Restrictions (PSBB) are implemented which require people to carry out activities inside the house.

Another factor that can affect poverty is unemployment. Unemployment is also a problem that needs serious attention from the Palembang city government. The narrowness of employment opportunities causes the unemployment rate to increase. Thus causing an increase in the poverty rate. Basically poverty is classified into two sides, namely first poverty which is seen from basic needs so that a person can live properly (absolute poverty) and poverty that occurs due to social imbalances where a person has fulfilled his basic needs but is still under the conditions of the surrounding community (poverty relative) (Windra et al., 2016).

2. Unemployment

Unemployment has always been a cause of the economy that is difficult to fix in every country. And economic diseases that greatly affect the level of economic growth. As a result of the ever-growing population increasing every year, this causes an increase in the number of people looking for work, and simultaneously the workforce will also increase. Unemployment also causes a person to have no income and pushes someone to be trapped in poverty.

Unemployment is the state of an individual who is part of the labor force and wants to find a job, but is unable to do so. Unemployment can also be said where someone wants to have a job but cannot get a job. In Indonesia, the unemployment rate continues to rise (Sadono, 1994).

Types of Unemployment:

1) Based on the Cause

- a. Frictional unemployment is unemployment that occurs due to non-permanent hardship, so it is considered successful if it has full employment opportunities.
- b. Cyclical unemployment, unemployment in which economic activity continues to decline due to market demand or domestic final demand.
- c. Structural Unemployment, unemployment that occurs due to changes in the economy of a particular region.
- d. Technological Unemployment, the unemployed who lose their jobs due to advances in technology itself.

2) Based on Characteristics

- a. Seasonal Unemployment, is unemployment in the agriculture and fisheries sector, this unemployment is caused by a seasonal condition in an area.
- b. Open Unemployment is unemployment where a person does not at all try to find a job because the unemployment is caused by jobs that are not in accordance with their educational background.
- c. Hidden Unemployment, unemployment occurs due to having a low educational background and lack of experience in work.

Tabel 1 Penduduk Usia Kerja dan Angkatan Kerja, Agustus 2019–Agustus 2021

Status Keadaan Ketenagakerjaan	Agustus 2019	Agustus 2020	Agustus 2021
	orang	orang	orang
(1)	(2)	(3)	(4)
Penduduk Usia Kerja	1.262.977	1.283.081	1.302.653
Angkatan Kerja	769.993	839.317	832.803
- Bekerja	708.291	756.546	748.610
- Pengangguran	61.702	82.771	84.193
Bukan Angkatan Kerja	492.984	443.764	469.850
	persen	persen	persen
Tingkat Pengangguran Terbuka (TPT)	8,01	9,86	10,11
Tingkat Partisipasi Angkatan Kerja (TPAK)	60,97	65,41	63,93
- Laki-Laki	76,43	79,58	75,9
- Perempuan	45,79	51,53	52,21

Sumber: Survei Angkatan Kerja Nasional (SAKERNAS) Agustus 2019-2021

Judging from the data above, the number of unemployed in the city of Palembang has increased where in 2019 it was 8.01 percent, then in 2020 it increased to 9.86 percent and in 2021 it will increase to 10.11 percent which is dominated by men.

3. Economic Growth

Economists believe that the best way to reach economic backwardness is to increase the rate of economic growth as much as possible so that it can exceed the rate of population growth. In this way, the per capita income figure will increase continuously until there is an automatic increase in people's welfare and in the end can reduce the number of poor people (Todaro, 2000).

According to Boediono (2013), economic growth is a means to increase per capita production in the long term. In simpler terms, an economy observes growth when the actual income of citizens in a given year increases compared to their income in the previous year. From a macroeconomic perspective, economic growth shows an increase in Gross Domestic Product (GDP), indicating an increase in National Income/PN (Tambunan, 2012).

A country's economic growth can be measured by its expansion and growth. Economic progress can have both positive and negative implications. A surge in economic development indicates an increase in economic activity,

while a decline in economic development indicates a decrease in economic activity.

4. The Impact of Poverty and Unemployment in the City of Palembang

Theoretically, poverty is usually associated with unemployment. When unemployment increases, the poverty rate will automatically increase (Yacoub, 2012). Therefore, both poverty and unemployment have broad and complex impacts. These impacts include:

1) Poor Health

Inadequate health can lead to poverty. Squalor has the ability to cause substandard health conditions. People living at the poverty line often have limited access to health services, nutritious food, adequate sanitation and clean water. As a result, individuals living in poverty have a higher risk of malnutrition, communicable diseases and chronic health conditions. These poor health conditions can stunt growth and development, affect quality of life, and increase mortality among the population. The following is data on residents who have complaints of poor health.

Kabupaten/Kota	Persentase Penduduk yang Mempunyai Keluhan Kesehatan Selama Sebulan Terakhir (Persen)		
	2019	2020	2021
Sumatera Selatan	30,90	29,32	27,91
Ogan Komering Ulu	32,00	38,62	43,28
Ogan Komering Ilir	30,79	22,51	23,54
Muara Enim	26,05	35,34	18,42
Lahat	27,36	33,85	24,34
Musi Rawas	23,15	22,01	18,97
Musi Banyuasin	22,84	25,91	21,18
Banyuasin	25,99	19,76	15,39
Ogan Komering Ulu Selatan	26,01	17,46	16,95
Ogan Komering Ulu Timur	33,23	33,44	24,29
Ogan Ilir	39,15	39,62	37,57
Empat Lawang	40,41	32,42	36,96
Pali	34,76	41,71	32,42
Musi Rawas Utara	32,76	23,78	21,56
Palembang	35,89	31,51	43,24
Prabumulih	32,98	29,58	20,46
Pagar Alam	35,01	32,53	29,47
Lubuk Linggau	33,94	32,37	28,48

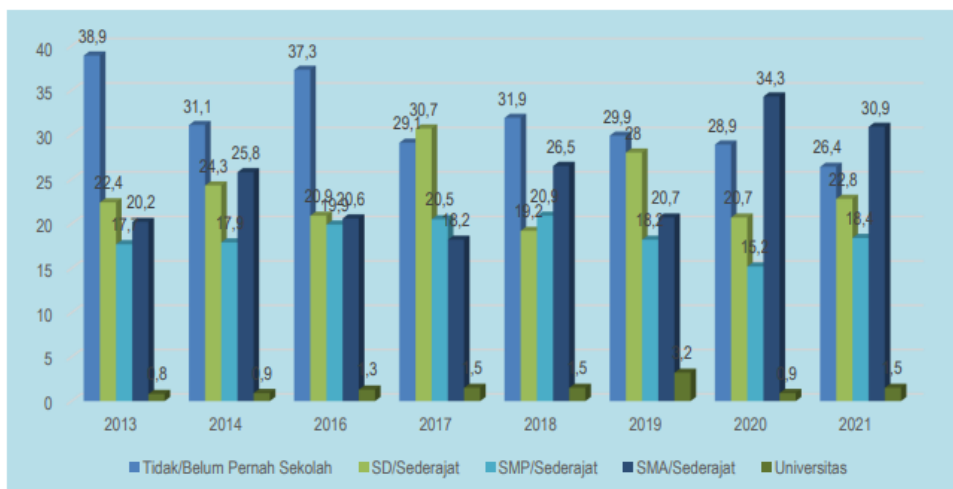
Sumber : BPS, Survei Sosial Ekonomi Nasional (Susenas)

From the data above, we can see that poor health in the city of Palembang continues to increase. In 2021 Palembang is in second place with a percentage of 43.24 after Ogan Komering Ulu which has a percentage of 43.28.

2) Limited Access to Education

The poverty rate has a significant influence on the level of education, and vice versa. (Susanto, etc. 2017). The higher the poverty rate, the lower the education level. This is because poverty often leads to under-investment in education. Individuals living in poverty may not be able to access quality and adequate education.

This can limit future economic opportunities and perpetuate the intergenerational cycle of poverty.



Sumber: Survei Sosial Ekonomi Nasional (SUSENAS)

Gambar 5. Persentase Penduduk Miskin Menurut Ijazah Tertinggi yang Dimiliki di Kota Palembang Tahun 2013 – 2021

Based on the results of the 2021 SUSENAS data processing shown in the figure above, we can see that more than 50 percent of the poor only have a junior high school diploma or below. The low level of education is not in line with the government program which requires 12 years of study or the equivalent of senior high school (SMA). Actually there are quite a lot of poverty alleviation programs in the education sector, such as the Smart Indonesia Program (PIP), BOS funds, PKH assistance for school children, etc., but they have not been implemented properly.

3) Social Division and Inequality

Poverty and unemployment can also exacerbate inequality and social division. Individuals and families living in poverty often feel marginalized and neglected by more affluent communities. This can trigger social tension, frustration, and conflict in society. In addition, poverty and unemployment can also affect the mental and emotional well-being of individuals, increasing the risk of developing mental health problems such as depression and anxiety.

4) Triggering the Emergence of Crime or Crime

Kabupaten/Kota	Jumlah Tindak Pidana (Kasus)		
	2020	2021	2022
Sumatera Selatan	-	-	-
Ogan Komering Ulu	246	211	282
Ogan Komering Ilir	391	602	816
Muara Enim	385	249	362
Lahat	265	356	449
Musi Rawas	216	217	378
Musi Banyuasin	396	484	760
Banyuasin	553	507	466
Ogan Komering Ulu Selatan	50	152	177
Ogan Komering Ulu Timur	286	304	284
Ogan Ilir	173	348	401
Empat Lawang	56	84	228
Pali	25	143	166
Musi Rawas Utara	20	110	64
Palembang	2 450	2 833	3 274
Prabumulih	296	277	391
Pagar Alam	103	181	207
Lubuk Linggau	305	312	406

Sumber:Kepolisian Daerah Sumatera Selatan (Direktorat Lalu Lintas Polri)

If seen from the statistical data above, Palembang City is the region in South Sumatra that has the most criminal cases. In 2020, there were 2,450 cases recorded, then increased in 2021 to 2,833, and continued to increase drastically to 3,274 cases in 2022. As fifth place in the number of criminal cases, of course we cannot be proud, the government should continue to monitor developments in this matter. and always educate the public to remain vigilant because crime knows no time and no one.

5) Social Burden and Welfare

Poverty and unemployment also create social burdens and high economic costs for the government. Countries often have to allocate substantial resources to provide social assistance, welfare programs, and

poverty alleviation efforts. These costs can reduce the government's ability to invest funds in sectors that support long-term economic growth, such as infrastructure and human development.

CONCLUSION

The city of Palembang has more than 1,686,073 inhabitants, which places it in the first rank of the most populous region in South Sumatra. This will increase the level of poverty and unemployment. This is one of the factors inhibiting economic growth in the city of Palembang. The number of Poverty in the city of Palembang in 2021 reached 11.34 percent and unemployment reached 10.11 percent in 2021. This was caused due to the impact of the co-19 pandemic.

Poverty is also a factor that hinders economic growth. Poverty is illustrated as a lack of income to meet life's needs starting from basic needs or minimum necessities of life such as clothing, food, shelter, education and health. Unemployment is the state of an individual who is part of the labor force and wants to find a job, but is unable to do so. Unemployment can also be said where someone wants to have a job but cannot get a job. In Indonesia, the unemployment rate continues to rise.

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